

## Iowa Department of Public Health

### Office of Medical Cannabidiol

## Request for Proposal (RFP) #58821019 to License Medical Cannabidiol Manufacturers

### Amendment #2 December 2, 2020

Effective immediately, the Office of Medical Cannabidiol Request for Proposal (RFP) 58821019 to License Medical Cannabidiol Manufacturers is amended to reflect changes in scoring associated with RFP Section 4.02, the 'Business Organization, Ownership, and Financial Structure' Narrative section, which will no longer be a scored component of the Application. This change will also impact and provide for modifications to the Draft Score Tool that was posted with the RFP.

RFP Section 4.02 is amended as follows:

A maximum of 950 ~~4,000~~ points may be awarded to each application. A minimum score of 550 ~~600~~ points or greater is required for the application to be considered for award of a license.

Application Form	Weight	Potential Maximum Score
Medical Cannabidiol Manufacturer Application Certification and Conditions Form	Required Form	N/A
Statutory Requirements Certification Form	Required Form	N/A
Licensing/ Regulatory Authority Release Form	Required Form	N/A
Proper Zoning Form	Required Form	N/A
Owner Certification Form	Required Form	N/A
1. Business Organization, Ownership, and Financial Structure	<u>0-10</u> Required Information, not scored	<u>0-50</u> N/A
2. Manufacturing Facility	15	75
3. Security Requirements	10	50
4. Personnel Background and Training	10	50

5. Cultivation	15	75
6. Extraction	15	75
7. Medical Cannabidiol Product Formulation & Manufacturing	20	100
8. Quality Assurance and Control	20	100
9. Packaging and Labeling	5	25
10. Transportation	5	25
11. Disposal	5	25
12. Record-Keeping Requirements	20	100
13. Supply and Inventory	5	25
14. Business Overview and Plan	25	125
15. Advertising and Marketing	5	25
16. Operating Documents	15	75
<b>Total Maximum Points:</b>		<b><u>950</u> <del>1000</del></b>

### License Medical Cannabidiol Manufacturer Score Tool:

The 'Business Organization, Ownership, and Financial Structure' section of the Score Tool is updated as follows:

Items to be Assessed	Individual Criteria Scoring				
	1	2	3	4	5
A. Contact Information: The applicant provides the general information about the applicant business entity including: <ol style="list-style-type: none"> <li>1. Legal name of the eligible applicant</li> <li>2. Applicant legal address</li> <li>3. Applicant's last 4 digits of federal tax ID number</li> <li>4. Applicant's phone number, and</li> <li>5. The name of the Executive Director or CEO of the applicant organization. If the applicant is a board of health/board of supervisors, includes the name of the board's authorized signatory.</li> </ol>					
<i>Comments:</i>					

<p>B. Business Structure: The applicant describes the Manufacturing business structure, for example, but not limited to, sole proprietorship, limited partnership, or C-corporation and provides the following as attachments/uploads (as applicable):</p> <ol style="list-style-type: none"> <li>1. Articles of incorporation</li> <li>2. Articles of association</li> <li>3. Charter</li> <li>4. By-laws</li> <li>5. Partnership agreement</li> <li>6. Any agreements between any two or more members of the applicant Manufacturing's business that relate in any manner to the assets, property or profit of the applicant or</li> <li>7. Any other comparable documents that set forth the legal structure of the applicant or relate to the organization, management, or control of the applicant.</li> </ol>	<p><u>N/A - This information will not contribute to the application score</u></p>
<p><i>Comments:</i></p>	
<p>C. Organizational Chart: The applicant provides a current organizational chart, including the names of persons holding each position, to the extent such positions have been filled.</p>	<p><u>N/A - This information will not contribute to the application score</u></p>
<p><i>Comments:</i></p>	
<p>D. Resumes: The applicant provides a resume of each person listed on the organizational chart setting out the individual's particular skills, education, experience or significant accomplishments that are relevant to the position.</p>	<p><u>N/A - This information will not contribute to the application score</u></p>
<p><i>Comments:</i></p>	
<p>E. Investors: The applicant provides a list of owners, their ownership percentage and financial investment for all investors.</p> <ol style="list-style-type: none"> <li>1. Describes future financial investments and commitments per owner or investor and potential owners or investors. <ol style="list-style-type: none"> <li>a. Provides the amount of future financial investment and the timeline the commitment is valid for.</li> <li>b. Each commitment is accompanied by a letter certified by a Certified Public Accountant (CPA) verifying that the commitment by each owner (or potential owner) does not exceed 50% of their personal net worth. If such commitment exceeds 50% of an owner or potential owner's personal net</li> </ol> </li> </ol>	<p><u>N/A - This information will not contribute to the application score</u></p>

<p>worth, indicate the percentage of that person's net worth that the commitment represents.</p>		
<p><i>Comments:</i></p>		
<p>F. Compensation Agreements: The applicant provides copies of all compensation agreements with investors, board members, directors, owners, officers, and other management. For purposes of this RFP, a compensation agreement includes any agreement that provides, or will provide, a benefit to the recipient whether in the form of salary, wages, commissions, fees, stock options, interest, bonuses or otherwise.</p>		<p><u>N/A - This information will not contribute to the application score</u></p>
<p><i>Comments:</i></p>		
<p>G. Individual Criminal History and Civil Litigation: For all individuals listed in the organizational chart, investors, or individuals with compensation agreements with the applicant, the applicant provides a list of any criminal history and civil litigation (as a plaintiff or defendant) for all individuals.</p>		<p><u>N/A - This information will not contribute to the application score</u></p>
<p><i>Comments:</i></p>		
<p>H. Manufacturer Indebtedness Information: The applicant describes the nature, type, terms, covenants, and priorities of all outstanding bonds, loans, mortgages, trust deeds, pledges, lines of credit, notes, debentures, or other forms of indebtedness issued or executed, or to be issued or executed, in connection with the opening or operating of the Manufacturing facility.</p>		<p><u>N/A - This information will not contribute to the application score</u></p>
<p><i>Comments:</i></p>		
<p>I. Financial Statements: The applicant provides the following for the applicant business:</p> <ol style="list-style-type: none"> <li>1. Audited financial statements for the previous three (3) years, which shall include, but not be limited to, an income statement, balance sheet, statement of retained earnings or owner equity, statement of cash flows, and all notes to such statements and related financial schedules, prepared in accordance with generally accepted accounting principles, along with the accompanying</li> </ol>		<p><u>N/A - This information will not contribute to the application score</u></p>

<p>independent auditor's report.</p> <ol style="list-style-type: none"> <li>a. If the audited financial statements are more than three months old, the applicant provides an affidavit indicating that there are no material changes subsequent to the most recently submitted financial statements.</li> <li>b. If the applicant was formed within the year preceding this application, provides certified financial statements for the period of time the applicant has been in existence and any pro forma financials used for business planning purposes.</li> </ol>		
<p><i>Comments:</i></p>		
<p>J. Disclosure of Litigation: The applicant discloses any pending or threatened litigation, administrative, or regulatory proceedings or similar matters which could affect the ability of the applicant to perform the required services.</p> <ol style="list-style-type: none"> <li>1. Failure to disclose such matters at the time of application may result in rejection of the application or in termination of any subsequent contract. This is a continuing disclosure requirement. Any such matter commencing after submission of an application must be disclosed within 30 days in a written statement to the Department.</li> </ol>		<p><u>N/A - This information will not contribute to the application score</u></p>
<p><i>Comments:</i></p>		
<p>K. Disclosure of Contract Default: Indicates whether the applicant or subcontractor has ever defaulted on a contract, includes:</p> <ol style="list-style-type: none"> <li>1. Name of Contract or subcontract</li> <li>2. Contact person's telephone number and email address</li> <li>3. A brief description of the incident</li> </ol>		<p><u>N/A - This information will not contribute to the application score</u></p>
<p><i>Comments:</i></p>		
<p>L. Disclosure of Terminated Contract: Indicates whether the applicant or subcontractor has ever terminated a contract, includes:</p> <ol style="list-style-type: none"> <li>1. Name of Contract or subcontract</li> <li>2. Contact person's telephone number and email address</li> <li>3. A brief description of the incident</li> </ol>		<p><u>N/A - This information will not contribute to the application score</u></p>
<p><i>Comments:</i></p>		

<p>M. Disclosure of Financial Accountability: The applicant discloses each irregularity (as applicable) of accounts maintained by the applicant discovered by the applicant's accounting firm, the applicant, or any other third party. Failure to disclose such matters, including the circumstances and disposition of the irregularities at the time of application may result in rejection of the application or in termination of any subsequent contract. This is a continuing disclosure requirement. Any matter commencing after submission of an application must be disclosed within 30 days in a written statement to the Department.</p>	<p><u>N/A - This information will not contribute to the application score</u></p>
<p><i>Comments:</i></p>	
<p>N. Disclosure of Financial Accountability Contact Information: The applicant provides the name and contact information for the person the Department can contact regarding financial irregularities.</p>	<p>N/A - This information will not contribute to the application score</p>
<p><i>Comments:</i></p>	

The 'Reviewer Suggested Scoring Summary' section of the Score Tool is updated as follows:

### Reviewer Suggested Scoring Summary

Narrative Sections	Reviewer Suggested Score	Total Possible
1. Business Organization, Ownership, and Financial Structure	N/A	<del>0-50</del>
2. Manufacturing Facility		75
3. Security Requirements		50
4. Personnel Background and Training		50
5. Cultivation		75
6. Extraction		75
7. Medical Cannabidiol Product Formulation and Manufacturing		100
8. Quality Assurance and Control		100
9. Packaging and Labeling		25

10. Transportation		25
11. Disposal		25
12. Record-keeping Requirements		100
13. Supply and Inventory		25
14. Business Overview and Plan		125
15. Advertising and Marketing		25
16. Operating Documents		75
<b>Reviewer's Suggested Total Score</b>		<u>950</u> <del>1,000</del>

All other terms and conditions of the RFP remain in effect.